

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Braintree Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: October 20, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule the Board recently adopted (copy enclosed). The schedule assumes payments are made on July 1 each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The revised schedule reflects a 7.65% investment return assumption (the same assumption as used in the January 1, 2018 actuarial valuation). We have generally recommended an assumption of 7.00% to 7.15% for our 2020 actuarial valuations. There are only 15 systems that currently use an assumption of 7.65% or higher. For comparison, there are 89 systems that currently use an assumption of 7.50% or lower. Of these, 55 use an assumption of 7.25% or lower. The 7.65% assumption is slightly outside the high end of our reasonable range for this assumption as of January 1, 2020.

We are available to discuss these issues further. If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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# SECTION 3 - CHAPTER 32 OF M.G.L. APPROPRIATIONS

Exhibit 3.1 - 30-Year Forecast of Annual Appropriations

Fiscal Year Ending	Employer Normal Cost	Amortization Payment of UAL	Amortization Payment of ERI 2010	Net 3(8)(c) Transfers	Total Employer Cost	Increase over Prior Year	Unfunded Actuarial Accrued Liability
2021	\$4,051,283	\$8,148,648	\$120,083	\$150,000	\$12,470,014		\$104,723,325
2022	4,193,078	8,568,005	120,082	150,000	13,031,165	4.50%	104,155,478
2023	4,339,836	9,127,731	-	150,000	13,617,567	4.50%	103,109,089
2024	4,491,729	9,976,728	-	150,000	14,618,457	7.35%	101,526,501
2025	4,648,940	10,893,975	-	150,000	15,692,915	7.35%	98,941,972
2026	4,811,653	11,884,691	-	150,000	16,846,344	7.35%	95,208,041
2027	4,980,060	12,954,490	-	150,000	18,084,550	7.35%	90,160,552
2028	5,154,362	14,109,403	-	150,000	19,413,765	7.35%	83,616,965
2029	5,334,765	15,355,911	-	150,000	20,840,676	7.35%	75,374,520
2030	5,521,482	16,700,984	-	150,000	22,372,466	7.35%	65,208,219
2031	5,714,735	18,152,107	-	150,000	24,016,842	7.35%	52,868,622
2032	5,914,750	19,717,329	-	150,000	25,782,079	7.35%	38,079,440
2033	6,121,767	21,305,883	-	150,000	27,577,650	6.96%	20,534,897
2034	6,336,028	-	-	150,000	6,486,028	-76.48%	-
2035	6,557,789	-	-	150,000	6,707,789	3.42%	-
2036	6,787,311	-	-	150,000	6,937,311	3.42%	-
2037	7,024,868	-	-	150,000	7,174,868	3.42%	-
2038	7,270,739	-	-	150,000	7,420,739	3.43%	-
2039	7,525,215	-	-	150,000	7,675,215	3.43%	-
2040	7,788,597	-	-	150,000	7,938,597	3.43%	-
2041	8,061,198	-	-	150,000	8,211,198	3.43%	-
2042	8,343,340	-	-	150,000	8,493,340	3.44%	-
2043	8,635,357	-	-	150,000	8,785,357	3.44%	-
2044	8,937,595	-	-	150,000	9,087,595	3.44%	-
2045	9,250,410	-	-	150,000	9,400,410	3.44%	-
2046	9,574,175	-	-	150,000	9,724,175	3.44%	-
2047	9,909,271	-	-	150,000	10,059,271	3.45%	-
2048	10,256,097	-	-	150,000	10,406,097	3.45%	-
2049	10,615,060	-	-	150,000	10,765,060	3.45%	-
2050	10,986,588	-	-	150,000	11,136,588	3.45%	-